

I oppose the amendment. At the hearing which I attended along with Senator Hefner there was absolutely no proof of the total dollar figures on corporate tax liability in the State of Nebraska. All of the arguments were on the basis of rates and you will recall that rates are a very bad way of indicating tax liability because it depends on what base you apply the rate. Now, what is the federal tax base of corporations? It is shrinking. It is getting less and the reason is, not the tax rate has been changed, not the rate has been changed, but the base has been changed on what you can take out, the real funny money moves that are allowed by the accelerated depreciation and by the selling of tax credits between companies and the like. Now on the federal level that is provable by this quotation in which in 1960 24% of the total federal incomes was from corporate tax. That is now down to 7%. Or it is available from this statistic which is from the Citizens Council for Tax Equity indicating the amount of state revenue lost because of the accelerated depreciation rules which have gone into effect. This is not a change in the rates. Senator Hefner is right. The rates have not changed. They have not been lowered but because the base on which that is applied has been changed there is \$108 million shortfall or revenue loss to the State of Nebraska projected between 1981 and 1986. In other words the base has shrunk and for that reason corporations are paying less and less corporate tax to the federal government and less and less corporation tax to the state government. In the State of Nebraska historically corporations have proved to be about 9.5% of the total pie of revenue raised. That is over the long haul. There we are looking at a trend of the last fifteen years. In the last two years, even with our increase and this includes the tax rate increase of last year, that figure has slipped to about 6.5% of the total state revenues. In other words, of our state coffers 6.5% is coming from corporations and that is down from what it has been in the past. At the same time the income taxes increased. Now what did we just hear about in the last day? A new Tennessee decision in which it is quite possible we will have \$30 million in refunds of only corporate taxes to state corporations and I tell you, corporations that do business in Nebraska but are not Nebraska corporations which, by the way, make up a half of all corporate taxes. Half of Nebraska's corporate taxes come in from out of state. They come from out of state corporations and we are going to be giving those people \$15 million of tax refunds according to a projected analysis by local accountants based on the Tennessee decision and what would that trigger? A sales and income tax increase for the individual taxpayer in this state. The history of this state is the same as the federal government and that is that the historical trend of corporate responsibility is dwindling